



EAST BAY REGIONAL PARK DISTRICT

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BOARD OF DIRECTORS: PAUL J. BADGER, President; MARY LEE JEFFERDS, Vice President; WILLIAM F. JARDIN, Secretary;
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JOINT COMMITTEE HEARING OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

AND

SENATE COMMITTEE ON REVENUE AND TAXATION

LOCAL GOVERNMENT PROJECTED REVENUE NEEDS AND ALTERNATIVE REVENUE SOURCES

Los Angeles Museum of Science and Industry
Exposition Park, Kinsey Auditorium

November 14, 1978
9:30 a.m.-4:30 p.m.

TESTIMONY OF

Richard C. Trudeau
General Manager
East Bay Regional Park District
Oakland, California

East Bay regional park district
- Approves
+ expenditure

It is appropriate that this meeting is taking place in one of the City of Los Angeles' outstanding parks, which over the years has given leisure time enjoyment and stimulating experiences to millions of people. This is a fitting location for me to talk with you briefly about a Regional Park system in the San Francisco Bay Area which serves as the county park department for two counties - Alameda and Contra Costa - comprising just under 10 percent of the population of California. Significantly the East Bay Regional Park District, about to celebrate its ⁵⁰45th birthday, attracts between twelve and thirteen million visitors annually, which visitors gave a 94 percent "satisfaction ratio" two years ago in a professionally prepared survey to the manner in which these parks are operated.

As I begin my remarks I would like to quote from an editorial in the Oakland Tribune of October 4, 1978, which said, in part:

"Few public agencies have been as hard hit by Prop. 13 as the East Bay Regional Park District - and few have coped with it as well."

"The district got almost 90 percent of its \$21 million budget from property taxes last year."

"But instead of crying for more money, the district adopted the attitude....if the Eastbay could afford parks during the Depression, it can certainly afford them now."

"So far, the park district has managed its limited funds well. Fees may be higher and hours may be shorter, but the parks are still open."

In essence we have acted as optimists and behaved as pessimists. We have raised user fees and added some new ones. We cut our work force by 20 percent. We reduced our capital improvement programs. We have adopted many cost-cutting methods. But even before Proposition 13, our District was prudent in its use of funds, utilizing a zero-base budget, promoting the use of private capital and private operations of some recreational facilities, coordinating our programs with those of cities and other districts in our two counties to avoid duplication of services, and making full use of grants and gifts.

For ^{a while} at least ten years we have been looking for something other than the property tax as a way to finance our District and in this endeavor we have had the counsel of Casper Weinberger and Martin Huff, along with two local tax specialists.

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In 1977-78 our District received \$17 million from a 20-cent property tax levy, which amounted to 82 percent of our total income. For 1978-79 the State supplied \$6.5 million as a share of the 1 percent property tax and \$2.6 million from allocations to multi-county districts from the state surplus, thus providing us with \$9.1 million or 53 percent of the District's 1977-78 tax fund revenues.

In addition to cutting our budget and seeking innovative ways to increase our income, we realized that we would need a well thought out program which we could take to the Commission on Government Reform and to the State Legislature. To this end we produced a document entitled an "Analysis of Revenue Requirements and Alternate Sources of Funding" prepared by Ralph Andersen and Associates, an objective outside consultant, working with a Special Task Force of Alameda and Contra Costa County citizens in cooperation with the District's Board of Directors and staff. I commend the report to you for study, together with the cover letter drafted for the Special Task Force by Joseph Bort, an Alameda County Supervisor, serving as its chairman.

This study recommends that ^{the} primary funding for our multi-county District ^{has} come from a pro-rata share of the one percent property tax revenue, supplemented on a continuing basis by a State Block Grant or Revenue-Sharing Program. The latter might come from the State's increased allocation of sales taxes back to local areas or from a share of the income tax or even an increase in vehicle license fees which would be shared locally. As you will see from our report, to fund park operations and maintenance at 80 percent of our previous operating budget - an amount we feel we can live with - will require \$10 million annually plus an allowance for

inflation. Should we continue to receive our pro-rata share of the one percent property tax, which produced \$6.5 million this year, we would need \$4 million from the sources mentioned.

To continue in a limited way our land acquisition program in keeping with a 1973 citizen-drafted Master Plan and to continue our capital development program, particularly in urban areas, the report mentions such sources as a continuation of the Roberti Urban park legislation, State Park Bonds which may be voted in, and a possible expansion of the Coastal Energy Impact Program. Of course, we would hope to continue receiving assistance in this area from private capital and a share of Land and Water Conservation grants.

Last Friday I attended the meeting of the Commission on Government Reform held in Sacramento and I would like to share with you a few of the comments made by Dr. Neil Jacoby, chairman of the sub-committee on Taxation of the Commission. Dr. Jacoby pointed out that members of his committee were looking at the elasticity of revenue so that revenues may grow if inflation continues and that they were also looking at the economy of collecting taxes. He reported that California was among the lightest states in this country in taxes on luxury items such as cigarettes, alcohol, and horse racing and that we were also light in our taxes on motor vehicles. It was evident that he and members of his committee were considering the fact that these might be increased if the final report of the Commission showed that this was necessary for local government to continue operating at a reasonable level.

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In working on our report we looked at as many as fifty ideas and sought the advice of other Regional Park Districts in the country. The State of Illinois has many Special Park Districts and funds them in a unique way at about 50 cents per \$100 of assessed valuation. They have divided this as follows:

15 cents for the General Fund

12 cents for the Recreation Fund

2.5 cents for Bond and Interest Funds

.015 cents for Museums

.025 cents for Police Protection

.005 for Audits

2 cents for Handicapped programs

.005 cents for Indebtedness in the event of de-annexations

.025 cents for a Working Cash Fund

and the balance for land acquisition, capital development, retirement funds, and liability and workman's compensation.

I offer the Illinois plan of funding only as an example, not as a recommendation.

The East Bay Regional Park District is unique in many respects. In addition to providing regional parklands and facilities in an area of more than 1,000 square miles - the size of the state of Delaware - we are required by the Public Resources Code to provide fire and police services and we maintain our own sanitation, road maintenance, and vegetation management crews. In addition we operate two State parks in this area at our own expense.

To the residents of our two county area- 9 out of 10 who have visited one or more regional parks, most within the past year - we provide an essential service. We do more than provide open space and recreational facilities. We assist in upgrading the health of our citizens through use of our parks. We help reduce the level of tension in people and in the community. Our tree studded parklands help provide better air quality for the entire area. We protect and provide public access to twenty-six miles of Bay shoreline. We are a socially acceptable way for people to utilize their increased leisure. And according to a recent fiscal impact report of "The Economic Benefits Generated for the East Bay Community by Its Regional Park System, " the direct and indirect economic benefit of our District returns \$3 to the community for each tax dollar collected in pre-Proposition 13 days.

We commend the report of the District and its Special Task Force to you and urge you to consider its recommendations so that this Regional Park District may continue to help make the East Bay area the special place that it is.

Thank you.

Statements of Two Key Leaders Spanning 40 Years

In drafting the guidelines which founded the East Bay Regional Park District in the 1930's, Frederick Law Olmsted Jr. said:

"The charm of the region as a place in which to live will depend largely upon natural conditions that are destined to disappear unless properly protected for the public in general."

And in 1977 Stewart Udall, former Secretary of the Interior, who led the 83-member citizens committee and 60-member public agency committee in drafting the District's Master Plan wrote:

"Your accomplishments in land acquisition, development, and planning have reflected a sober and responsible concern toward the preservation of an "environmental estate" that will benefit generations yet to come. As I have said before, resources are finite. There can be no machine that will stamp out the contour of a beautiful shoreline park nor etch the silhouette of a mountain peak against the sky. It takes people with an aggressive quality, whose gentle persuasion links the practical to the ideal. In short, it takes the kind of people you are fortunate enough to have working for the Park District today."

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